

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 11, 2022

Company name: FUTABA CORPORATION  
 Stock exchange listing: Tokyo  
 Stock code: 6986 URL <https://www.futaba.co.jp/>  
 Representative: Representative Director and President Motoaki Arima  
 Executive Officer  
 Inquiries: Corporate Administration Division Masayuki Nakamura TEL 0475-24-1111  
 General Manager  
 Scheduled date to file Quarterly Securities Report: November 14, 2022  
 Scheduled date to commence dividend payments: December 9, 2022  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	29,519	12.7	(1,474)	–	6	–	(1,371)	–
Six months ended September 30, 2021	26,190	14.3	(788)	–	(483)	–	(1,189)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	(32.34)		–	
Six months ended September 30, 2021	(28.04)		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of September 30, 2022	101,507		87,936		75.6	
As of March 31, 2022	100,435		86,788		75.3	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2022	–	14.00	–	14.00	28.00
Year ending March 31, 2023	–	7.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	7.00	14.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	60,000	12.3	(2,000)	–	(500)	–	(3,900)	–	(91.94)

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2022	42,426,739 shares	As of March 31, 2022	42,426,739 shares
--------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of September 30, 2022	9,686 shares	As of March 31, 2022	9,444 shares
--------------------------	--------------	----------------------	--------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	42,417,221 shares	Six months ended September 30, 2021	42,417,666 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	33,626	29,926
Notes and accounts receivable - trade, and contract assets	14,552	15,534
Electronically recorded monetary claims - operating	914	1,154
Securities	600	301
Merchandise and finished goods	4,213	5,014
Work in process	3,262	3,473
Raw materials and supplies	10,020	11,612
Other	1,684	1,817
Allowance for doubtful accounts	(710)	(768)
Total current assets	68,163	68,066
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,060	5,099
Machinery, equipment and vehicles, net	1,958	2,124
Tools, furniture and fixtures, net	363	358
Land	9,751	9,837
Leased assets, net	1	4
Construction in progress	416	587
Other	316	356
Total property, plant and equipment	17,868	18,368
Intangible assets		
Goodwill	45	26
Other	643	700
Total intangible assets	688	726
Investments and other assets		
Investment securities	7,902	8,307
Other	6,432	6,817
Allowance for doubtful accounts	(619)	(779)
Total investments and other assets	13,714	14,345
Total non-current assets	32,271	33,441
Total assets	100,435	101,507

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	3,720	3,421
Electronically recorded obligations - operating	1,054	712
Short-term borrowings	436	375
Accrued expenses	2,267	2,375
Income taxes payable	368	341
Provision for bonuses	827	945
Other	1,515	1,562
Total current liabilities	10,190	9,734
Non-current liabilities		
Deferred tax liabilities	2,283	2,526
Provision for retirement benefits for directors (and other officers)	64	54
Retirement benefit liability	525	538
Other	582	716
Total non-current liabilities	3,455	3,836
<b>Total liabilities</b>	<b>13,646</b>	<b>13,571</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	22,558	22,558
Capital surplus	21,555	21,555
Retained earnings	28,556	26,591
Treasury shares	(16)	(16)
Total shareholders' equity	72,654	70,688
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,211	1,569
Foreign currency translation adjustment	241	3,187
Remeasurements of defined benefit plans	1,504	1,261
Total accumulated other comprehensive income	2,957	6,018
Non-controlling interests	11,177	11,229
<b>Total net assets</b>	<b>86,788</b>	<b>87,936</b>
<b>Total liabilities and net assets</b>	<b>100,435</b>	<b>101,507</b>

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	26,190	29,519
Cost of sales	21,593	25,280
Gross profit	4,597	4,239
Selling, general and administrative expenses	5,385	5,714
Operating loss	(788)	(1,474)
Non-operating income		
Interest income	82	139
Dividend income	129	167
Foreign exchange gains	–	1,085
Subsidy income	95	8
Other	119	108
Total non-operating income	427	1,509
Non-operating expenses		
Interest expenses	39	15
Foreign exchange losses	70	–
Loss of retirement of non-current assets	2	5
Other	10	7
Total non-operating expenses	123	28
Ordinary profit (loss)	(483)	6
Extraordinary income		
Gain on sale of non-current assets	297	18
Gain on sale of investment securities	127	–
Total extraordinary income	424	18
Extraordinary losses		
Loss on sale of non-current assets	0	0
Loss on abandonment of non-current assets	2	1
Impairment losses	374	833
Total extraordinary losses	377	835
Loss before income taxes	(436)	(810)
Income taxes - current	341	211
Income taxes - deferred	199	223
Total income taxes	540	434
Loss	(977)	(1,245)
Profit attributable to non-controlling interests	212	126
Loss attributable to owners of parent	(1,189)	(1,371)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Loss	(977)	(1,245)
Other comprehensive income		
Valuation difference on available-for-sale securities	33	354
Foreign currency translation adjustment	(390)	3,088
Remeasurements of defined benefit plans, net of tax	(239)	(242)
Total other comprehensive income	(597)	3,200
Comprehensive income	(1,574)	1,955
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,482)	1,689
Comprehensive income attributable to non-controlling interests	(92)	265

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from operating activities		
Loss before income taxes	(436)	(810)
Depreciation	542	615
Amortization of goodwill	18	19
Impairment losses	374	833
Increase (decrease) in allowance for doubtful accounts	(27)	218
Decrease (increase) in retirement benefit asset	(183)	(157)
Increase (decrease) in retirement benefit liability	3	(3)
Increase (decrease) in remeasurements of defined benefit plans	(347)	(380)
Increase (decrease) in provision for bonuses	82	101
Interest and dividend income	(212)	(307)
Foreign exchange losses (gains)	51	(210)
Loss (gain) on sale and retirement of property, plant and equipment and intangible assets	(294)	(16)
Loss (gain) on sale and valuation of investment securities	(127)	–
Loss of retirement of non-current asset	2	5
Decrease (increase) in trade receivables	720	(1,006)
Decrease (increase) in inventories	(1,932)	(1,521)
Increase (decrease) in trade payables	149	(1,665)
Other, net	(260)	614
Subtotal	(1,877)	(3,671)
Interest and dividends received	235	318
Interest paid	(37)	(14)
Income taxes paid	(519)	(245)
Income taxes refund	74	13
Net cash provided by (used in) operating activities	(2,123)	(3,598)
Cash flows from investing activities		
Payments into time deposits	(11,792)	(11,294)
Proceeds from withdrawal of time deposits	14,230	12,855
Purchase of property, plant and equipment	(773)	(1,298)
Proceeds from sale of property, plant and equipment	359	14
Purchase of investment securities	(200)	(200)
Proceeds from sale and redemption of investment securities	1,366	600
Loan advances	(49)	(0)
Proceeds from collection of loans receivable	2	0
Other, net	3	(55)
Net cash provided by (used in) investing activities	3,145	622

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Cash flows from financing activities		
Proceeds from short-term borrowings	502	480
Repayments of short-term borrowings	(532)	(565)
Proceeds from long-term borrowings	48	–
Repayments of lease liabilities	(95)	(104)
Purchase of treasury shares	(0)	(0)
Dividends paid	(595)	(596)
Dividends paid to non-controlling interests	(183)	(212)
Net cash provided by (used in) financing activities	(856)	(998)
Effect of exchange rate change on cash and cash equivalents	(4)	1,483
Net increase (decrease) in cash and cash equivalents	161	(2,491)
Cash and cash equivalents at beginning of period	25,667	20,582
Cash and cash equivalents at end of period	25,828	18,090